

HOW DO GENDER AND IMMIGRANT BACKGROUND AFFECT A COMPANY OWNER'S
DECISION TO ENGAGE IN DIRECT OR INDIRECT EXPORTING?

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ABSTRACT

This research focuses on understanding the effects of gender and immigrant ownership on the export behavior of small and medium-sized enterprises (SMEs). Prior studies indicate that female and male entrepreneurs have different qualities or experiences that might result in different export strategies. In addition, there is evidence that business owners with an immigrant background have export-enabling characteristics. Drawing on insights from social capital theory, I investigate the separate and joint effects of gender and immigrant background on the likelihood of SMEs to engage in direct exporting—i.e., selling goods or services directly to foreign customers—as opposed to indirect exporting—i.e., using an intermediary to sell goods or services to foreign customers—or not exporting at all. I analyzed a sample of 78 SMEs. The results show that female-majority-owned SMEs are less likely to export directly compared to male-majority-owned SMEs. Immigrant-owned SMEs are more likely to export directly, and particularly when they have male owners. Female-majority-owned SMEs’ propensity to export directly is not affected when their owners have an immigrant background. I will discuss the theoretical implications of these findings and show how they may serve as a guide to improve the design and implementation of policies targeted at immigrant export businesses.

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TABLE OF CONTENTS

Abstract	iii
List of Tables	vii
List of Figures.....	viii
1.0 Introduction.....	1
2.0 Literature Review.....	5
2.1 Global Markets, Trade, and Business	5
2.1.1 International Trade And The Canadian Economy	7
2.1.2 Canadian Smes And Their Participation In The Export Sector	10
2.1.3 Female-Owned Businesses And Their Participation In The Export Sector.....	12
2.1.4 Benefits And Challenges Of Exporting.	13
2.2 Export Strategy of SMEs	18
2.2.1 Export Propensity.....	19
2.2.2 Export Intensity	23
2.3 Direct and Indirect Approaches to Exporting	24
2.3.1 Direct export.....	24
2.3.2 Indirect Export.....	25
2.4 Gender and Export Strategy	26
2.4.1 Liberal Feminism And Social Feminism	26
2.4.2 Liberal Feminist View Of Gender's Influence On SMEs' Export Strategies	27
2.4.3 Social feminist view of gender's influence on SMEs' export strategy	27
2.5 Immigrant Ownership and SMEs' Export Strategy	28
2.6 Gender, Immigrants, and Exporting Activity	29
2.6.1 Female Immigrant Entrepreneurs Versus Other Entrepreneurs.....	30
2.6.2 Female-Immigrant Ownership and SMEs' Export Strategy	30
3.0 Theoretical Framework.....	32
3.1 Social Capital Theory	32
3.1.1 SME Internationalization And Owners' Social Capital	32
3.2 Hypotheses Development	34
3.2.1 The Effect Of Female Ownership On SMEs' Export Strategies	34
3.2.2 The Effect Of Immigrant Ownership On SMEs' Export Strategy	35
3.2.3 The Joint Effect Of Female And Immigrant Ownership On SMEs' Export Strategy	36
4.0 Methodology	38

4.1 Data Construction	38
4.2 Dependent Variables.....	46
4.3 Explanatory Variables.....	46
4.4 Control Variables.....	48
4.5 Statistical Methods	50
5.0 Data Analysis and Empirical Findings	53
6.0 Discussion And Extension	60
6.1 Contributions to the Theory and Related Research	61
6.2 Practical Implications.....	64
7.0 Limitations and Future Research	65
8.0 Conclusion	66
Appendices	67
Appendix 1 Appendix 1 Distribution of Location, by gender and immigrant ownership in percentage	67
Appendix 2 Distribution of Industry, by gender and immigrant ownership in percentage	67
References.....	68

LIST OF TABLES

Table 1 Variable Names And Definistions	40
Table 2 Descriptive Statistics	42
Table 3 Reasons Behind Direct Export And Indirect Export	43
Table 4 Number Of Observation On Reasons Behind The Choice Of Dicrect Export, By Gender And Immigrant Ownership	44
Table 5 Number Of Observation On Reasons Behind The Choice Of Indicrect Export, By Gender And Immigrant Ownership	45
Table 6 Correlations.....	46
Table 7 Numbers Of Observation On Export Strategy Vs. Gender And Immigrant Ownership	47
Table 8 Distribution Of Industry, By Gender And Immigrant Ownerhsip.....	50
Table 9 Distribution Of Location, By Gender And Immigrant Ownerhsip	50
Table 10 Compare Mean And Standard Deviation Of Key Variables, By Gender And Immigrant Ownership	52
Table 11 Marginal Effects Of Gender And Immigrant Background On Export Strategy: Result From Multinomial Logit Regression	54
Table 12 Marginal Effects Of The Interaction Of Gender And Immigrant Background On Export Strategy: Result From Multinomial Logit Regression	57
Table 13 Marginal Effects Of Male-Immigrant And Female Immigrant Background On Export Strategy: Result From Multinomial Logit Regression	59

LIST OF FIGURES

Figure 1 Canada’s Export Trade over the past Decdae	6
Figure 2 Contribution of SMEs to the export of Goods by Numbers of Exporters and Value of Export.....	7
Figure 3 Merchandise Export and Import	8
Figure 4 Twenty Main Destinations For Exports Of Canadian Goods	9
Figure 5 Economic Regions With The Highest Share Of Export-Dependent Employment .	10
Figure 6 Provincial Exports by Number of Establishments and Value of Goods Export.....	11
Figure 7 Value and Number of Exports Establishments by Industries from 2014-2018 in Canada.....	12
Figure 8 Illustration of Questionnaire.....	38
Figure 9 Illustration of Key Variables and Questionnaire.....	41

1.0 Introduction

In 2015, approximately one-third of Canada's gross domestic product (GDP) originated from the export sector. The Government of Canada has traditionally encouraged SMEs to export (The Fraser Institute, 2016), and more recently, has been exploring ways to specifically help female-owned SMEs in this area (Government of Canada, 2016). However, there are substantial gaps in our understanding of the specific challenges that female-owned SMEs face in global markets (G. A. C. Government of Canada, 2016; Robichaud, Cachon, & McGraw, 2015). Therefore, more systematic research is needed to help policymakers develop suitable support programs that can effectively address existing barriers (Orser, Elliott, & Leck, 2013; Orser, Spence, Riding, & Carrington, 2010).

Much of what is known about the effects of gender and immigrant backgrounds on SMEs' export strategy is based on a notable study by Orser et al. (2010). In this study, the researcher focuses on whether female-owned businesses differ from their male-owned counterparts when it comes to export propensity. The authors found no evidence that female- and male-owned businesses systematically differ in their tendency to export. However, they found that female immigrant entrepreneurs were notably more likely to export (Orser et al., 2010).

All things considered; two main questions remain. 1) Do female owners' export strategies differ from their male counterparts in ways that are not adequately captured by export propensity?

2) Why might female owners with an immigrant background gravitate toward exporting more than female owners who are non-immigrants? Research can make significant contributions by providing insights that are relevant to these questions.

In this study, existing research is added by investigating why and how business owners' gender and immigrant background influence the export strategy of SMEs. The following questions are asked: How does gender affect an owner's decision to export directly or indirectly when they decide to export? Do gender effects, if any, depend on the immigrant status of owners?

When business owners decide to export, they face two strategic choices: a) they can sell their goods or services directly to foreign customers (i.e., engage in direct exporting), or b) hire an agent or intermediary to sell them to foreign customers (i.e., engage in indirect exporting). Compared to an indirect exporting strategy, a direct exporting strategy requires more time, practical knowledge of foreign market conditions, knowledge of how to serve foreign markets, and how to meet the unsatisfied needs of foreign customers (Reid, 1983). A social capital perspective is applied to theorize about the influence of business owners' gender and immigrant background on their companies' decision to export directly or indirectly.

Social capital may be thought of as a resource that accrues for individuals because of their relationship with others (Adler & Kwon, 2002). Since SME owners generally have limited resources, their networks could be essential for meeting the resource requirements of an internationalization strategy (Aldrich & Zimmer, 1986). This implies that business owners may not meet the resource requirements of a direct exporting strategy if they lack relevant foreign

market knowledge, and particularly strong ties to local networks within foreign markets (Carson, Gilmore, & Rocks, 2004; Dunning, 2001; Aldrich & Zimmer, 1986). In this case, business owners are more likely to adopt an indirect exporting strategy. The present study proposes that female owners may be drawn to an indirect export strategy more than their male counterparts. Unlike their male counterparts, female owners generally have less access to social networks that can facilitate learning and development in international markets (Cromie & Birley, 1992; Perrin Moore, 2004). On the other hand, female owners with an immigrant background may have first-hand knowledge of foreign markets and pre-existing social ties within them. Thus, female owners with an immigrant background are more likely to meet the resource requirements of direct exporting than their non-immigrant female counterparts. Based on these arguments, the present study proposes three hypotheses. 1) Female majority-owned SMEs are less likely to export directly compared to their male majority-owned counterparts, 2) Immigrant owned SMEs are more likely to export directly compared to SMEs with non-immigrant owners, and 3) Female majority-owned SMEs are especially more likely to export directly when their owners have an immigrant background.

Overall, this paper contributes to the theory and practice of female, immigrant, and international entrepreneurship. Specifically, it clarifies and verifies the role that gender and immigrant status play in SMEs' choice of exporting strategy. In addition, it offers valuable insights that can help policymakers develop suitable export support programs for female entrepreneurs seeking to expand into international markets.

The remainder of this paper is organized as follows. The following section reviews the relevant literature and develops the hypotheses to be tested. The section that follows discusses the data and methodology applied. Then the main results are presented, and finally, the theoretical and practical implications of the main findings of this paper are discussed.

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2.0 Literature Review

2.1 Global Markets, Trade, and Business

As the export and import trend has increased in the past two decades, international business has become the core of Canada's economy. Among all international businesses, as Guergis (2006) has stated, SMEs are essential for both domestic and international performance. Internationalization has been identified as the key factor for expanding a business (Cassiman & Golovko, 2011; Wang & Liu, 2015). It can be defined as a market expansion of business activity abroad. Furthermore, researchers have developed internationalization from a wide range of viewpoints, including national, institutional level, small-business management, organization theory, etc. (Knight, 2003; Ruzzier, Antoncic, Hisrich, & Konecnik, 2007). Gande, Schenzler, and Senbet (2009) and Lin (2012) claimed that firms can create potentials for profit during the internationalization activity. There are various options for internationalization. For example, export, foreign direct investment (FDI), and licensing (Azuayi, 2016; Conconi, Sapir, & Zanardi, 2016). Export is the first and most common strategy used during the process of internationalization of SMEs because it is known as the most effective method (Azuayi, 2016; Cassiman & Golovko, 2011). As seen in Figure 1, in the past two decades, Canada's export activity has aggressively increased. Moreover, in Canada, export trade accounted for more than 30% of the total Gross Domestic Product (GDP) (Trading Economics, 2018).

Figure 1 Canada's Export Trade over the Past Decade.



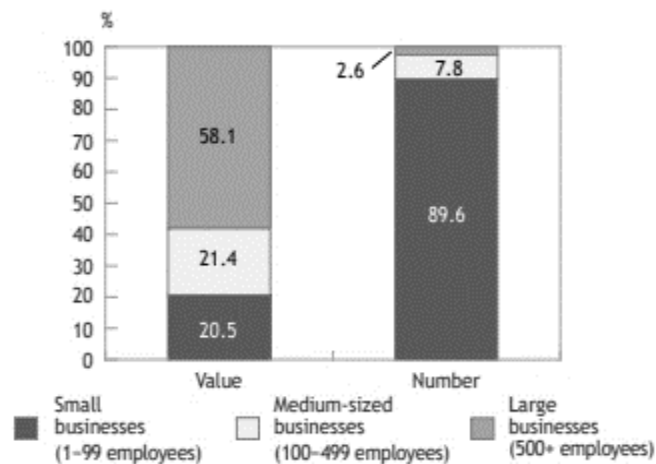
**Source: Trading Economics*

**unit counted in Millions, CAD*

In Canada, SMEs are companies with fewer than 500 employees. They have been recognized as a core part of the Canadian economy ("If Industry Canada", 1997; Love & Roper, 2015). The Government of Canada (2019) has reported more than 1.15 million SMEs in Canada. Export is vital to the global expansion of SMEs. Nearly 90% of Canadian exporters are formed as small businesses and contributed \$68 billion (25%) of the total value of exports (Government of Canada, 2015). From Statistics Canada (2019), Figure 2 demonstrates the contribution of SMEs to the export of goods by the number of exporters and value of export in Canada in 2017.

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Figure 2 Contribution of SMEs to the Export of Goods by Number of Exporters and Value of Exports.



* Sources: Statistics Canada, Table 12-10-0094-01—Trade in goods by exporter characteristics, by enterprise employment size and industry; and ISED calculations.

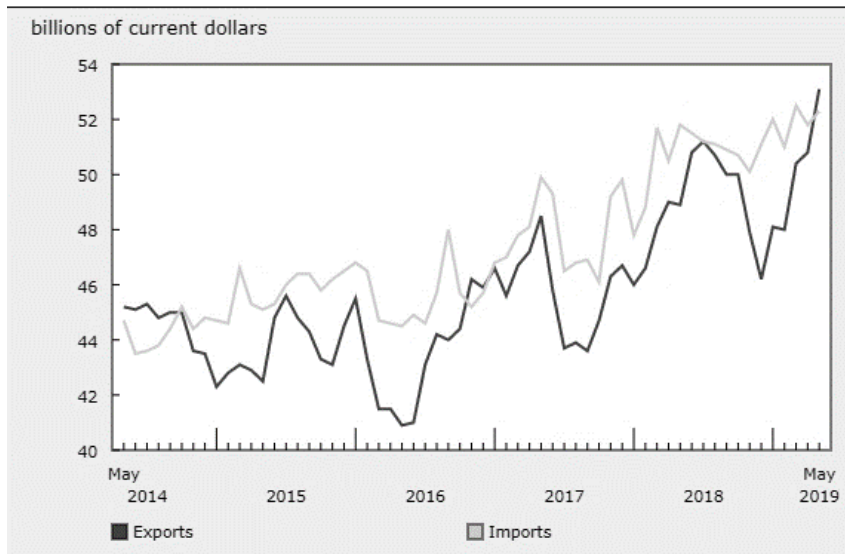
Female-owned SMEs, however, are under-performed in the export market in Canada, even though exports help small firms grow. Data revealed that 70% of female-owned SMEs are willing to export (Government of Canada, 2016). In this case, we need to understand how and why female SME owners are different from their male counterparts and the reason for their limited exporting activities. Hence, in this section, I will explore the following topics to understand the exporter and non-exporter in Canada: 2.1.1 International Trade and the Canadian Economy, 2.1.2 Canadian SMEs and Their Participation in the Export Sector, 2.1.3 the Female-owned Businesses and their Participation in the Export Sector, and 2.1.4 Benefits and Challenges of Exporting.

2.1.1 International Trade And The Canadian Economy

International trade is an important aspect of the Canadian Economy. According to Canada Exports (2018), export value has accounted for up to 30% of the GDP since 1971. Data has revealed that the export activity rate since May 2019 has increased nearly 4.6% monthly, with a

total of \$53.1 billion (Statistics Canada, 2019). Figure 3 demonstrates merchandise export and import.

Figure 3 Merchandise Export and Import.



**Source: Statistics Canada. Table 12-10-0011-01 International merchandise trade for all countries and by Principal Trading Partners, monthly (x 1,000,000)*

Canada has started the export business since the 1800s. The Canada-United States Free Trade Agreement (CUSFTA) was established in 1988 (Government of Canada, 2017). In 1994, the North American Free Trade Agreement (NAFTA) was established between Canada, the United States, and Mexico (Government of Canada, 2017). Canada-US two-way merchandise trade is the most traditional and common export activity (Crane, 2015). Until 2014, Canada and the US had the most extensive trade relationship with a total value of \$750.7 billion. In particular, more than 80% of SME owners export to the US and 74% of their products are for the US market (Crane, 2015; Statistics Canada, 2015). Although the US is still Canada's largest export market, other export

destinations have slowly expanded in the last decades (Statistics Canada, 2019). Figure 4 displays a comparison between the years 2010 and 2017 for Canada's export sales, values, and destinations. Furthermore, from Figure 4, it is clear that the United States is the main destination of Canada's exports. China is the second-largest destination, contributed \$22 billion in 2017 (Statistics Canada, 2019).

Figure 4 The Twenty Main Destinations for Exports of Canadian Goods.

	2010				2017				
	Rank	Value (\$ billions)	Contribution (%)		Rank	Value (\$ billions)	AAGR (%)	Contribution (%)	
			SMEs	Large businesses				SMEs	Large businesses
United States	1	268.4	36.7	63.3	1	361.4	4.3	41.4	58.6
China	3	12.3	41.4	58.6	2	22.0	8.7	42.8	57.2
United Kingdom	2	15.4	59.6	40.4	3	17.0	1.4	74.4	25.6
Japan	4	8.9	37.5	62.5	4	11.5	3.7	34.8	65.2
Mexico	5	4.2	32.6	67.4	5	7.4	8.4	31.2	68.8
South Korea	7	3.5	37.4	62.6	6	5.0	5.2	37.8	62.2
India	13	1.9	65.9	34.1	7	4.0	11.2	34.7	65.3
Germany	6	3.5	30.2	69.8	8	3.5	0.0	36.8	63.2
Belgium	11	2.1	41.0	59.0	9	3.3	6.0	26.1	73.9
France	12	2.0	31.3	68.7	10	3.1	6.5	35.6	64.4
The Netherlands	8	2.9	42.8	57.2	11	2.9	0.0	33.3	66.7
Italy	14	1.7	47.7	52.3	12	2.2	3.8	28.4	71.6
Norway	9	2.5	9.0	90.1	13	1.9	-3.8	9.6	90.4
Switzerland	17	1.5	14.8	85.2	14	1.9	3.4	12.3	87.7
Hong Kong	15	1.6	55.1	44.9	15	1.9	2.5	55.0	45.0
Australia	16	1.5	45.9	54.1	16	1.7	1.8	53.4	46.6
Indonesia	19	1.0	82.7	17.3	17	1.7	7.9	52.2	47.8
Taiwan	18	1.2	32.7	67.3	18	1.6	4.2	32.0	68.0
Spain	22	0.9	25.7	74.3	19	1.6	8.6	30.1	69.9
Brazil	10	2.4	39.3	60.7	20	1.5	-6.5	54.8	45.2
Rest of the world		20.4	53.9	46.1		26.6	3.9	43.2	56.8
Total		359.9	39.0	61.0		483.6	4.3	41.9	58.1

**Source: Statistics Canada, Table 12-10-0095-01—Trade in goods by exporter characteristics, by enterprise employment size and country of destination.*

2.1.2 Canadian SMEs And Their Participation In The Export Sector

Canadian SMEs can stimulate Canada's economy by generating job opportunities across industries. In 2017, a total of 1,451,000 job opportunities have been offered in export-dependent industries. Those jobs accounted for 8% of total employment in Canada (Government of Canada, 2018). As shown in Figure 5, about 20% of the population of some specific economic regions are employed in export-dependent industries, regions such as Wood-Buffalo-Cold Lake, Alberta (23%) and Yorkton-Melville, Saskatchewan (19%). On average, SMEs can create nearly 100,000 jobs every year (BDC, 2019).

Figure 5 Economic Regions with the Highest Share of Export-dependent Employment, 2017.

Economic Region	Percentage
Wood-Buffalo-Cold Lake, Alberta	23%
Yorkton-Melville, Saskatchewan	19%
Parklands and North, Manitoba	17%
Windsor-Sarnia, Ontario	18%
Côte-Nord and Nord-du-Québec, Quebec	19%
Outaouais, Quebec	3%
Ottawa, Ontario	4%
Fredericton-Oromocto, New Brunswick	3%
Halifax, Nova Scotia	3%
Cape Breton, Nova Scotia	4%

**Source: Statistics Canada, Table 12-10-0100-01—Export-dependent employment in Canada, 2017*

SME exporters can be found in all provinces within Canada. In 2017, 42.8% of the SME exporters are from Ontario, the highest among all provinces (Statistics Canada, 2019). Figure 6 demonstrates the ranking among all provinces in Canada. All in all, export has played an important role in Canada's economy.

Figure 6 Provincial Exports by Number of Establishments and Value of Goods Export.

	Number of exporters	Distribution (%)	Number of exporters per 1,000 establishments	Value of exports (\$ billions)	Distribution (%)	Average value of exports by establishment (\$ millions)
Canada	48,454		41.1	483.6		10.0
Newfoundland and Labrador	292	0.6	17.2	6.0	1.2	20.6
Prince Edward Island	226	0.5	37.2	1.4	0.3	6.2
Nova Scotia	970	2.0	32.9	4.9	1.0	5.0
New Brunswick	775	1.6	30.6	12.5	2.6	16.2
Quebec	10,422	21.5	43.1	78.6	16.2	7.5
Ontario	20,715	42.8	48.4	196.6	40.7	9.5
Manitoba	1,718	3.5	43.9	17.8	3.7	10.3
Saskatchewan	1,434	3.0	35.2	17.1	3.5	11.9
Alberta	4,928	10.2	30.1	100.2	20.7	20.3
British Columbia	6,913	14.3	37.8	46.8	9.7	6.8
Territories	61	0.1	14.8	1.8	0.4	30.3

**Source: Statistics Canada, Table 12-10-0098-01—Trade in goods by exporter characteristics, by industry of establishment (x 1,000).*

Figure 7 displays the vast range of industries related to export trade. Thus, SMEs are able to get involved in exportation by offering services or products to any industry. The value of exports has increased in nearly all industries except agriculture and its related industries (Statistics Canada, 2019).

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Figure 7 Value and Number of Exports Establishments by Industries from 2014 to 2018 in Canada.

Geography	Estimates	North American Industry Classification System (NAICS)	2014	2015	2016	2017	2018
Canada <small>(map)</small>	Value of exports ^{1 2}		Dollars				
		All industries	469,270,980	464,754,175	453,686,071	483,644,366	522,836,851
		Agriculture, forestry, fishing and hunting [11]	5,007,762	5,502,488	6,085,078	4,809,816	4,856,688
		Mining, quarrying, and oil and gas extraction [21]	88,376,881	62,119,727	51,541,910	70,900,356	88,743,521
		Manufacturing [31-33]	274,803,224	296,444,080	305,519,181	307,752,955	323,327,142
		Wholesale trade [41]	61,049,345	62,027,495	58,106,434	65,529,717	74,241,303
		Retail trade [44-45]	1,337,507	1,986,575	1,573,046	1,515,461	1,928,060
	Number of exporting establishments		Number				
		All industries	48,523	49,137	48,380	48,454	50,247
		Agriculture, forestry, fishing and hunting [11]	3,939	3,583	3,316	3,340	3,390
		Mining, quarrying, and oil and gas extraction [21]	663	625	564	566	625
		Manufacturing [31-33]	17,645	17,656	17,743	17,883	18,095
		Wholesale trade [41]	11,484	11,555	11,451	11,460	11,929
		Retail trade [44-45]	3,226	3,661	3,772	3,648	4,013

**Source: Statistics Canada, Table 12-10-0098-01—Trade in goods by exporter characteristics, by industry of establishment (x 1,000).*

2.1.3 Female-Owned Businesses And Their Participation In The Export Sector.

Gender equality has become an essential subject that affects SME owners' business decisions. Although we have witnessed a growing number of female owners participating in the export market, they are still less likely to export than their male counterparts (Welch, Welch, & Hewerdine, 2008). According to the Government of Canada (2016), female-owned SMEs account for 15.7% of all SMEs, but only 11.1% are exporting. For SME owners, prior research has suggested that the following three potential factors can influence their export decisions: the attitude towards exportation, subjective norms, and perceived control over exportation (Liao, 2015). Among these three, the biggest concern is the attitude of female SME owners towards exportation. The attitude

is related to the willingness to take risk and sometimes the work-family balance. It needs to be acknowledged that the attitude of women towards exportation is more likely to be negative due to their roles in the family (Watson, 2010).

2.1.4 Benefits And Challenges Of Exporting.

Exporting leads to positive and negative impacts on countries and firms. On average, SMEs gain benefits from exporting (Sinkovics, Kurt, & Sinkovics, 2018). The value of Canada's exports is approximately \$49.32 billion, which makes Canada the 12th largest exporter in the world (Canada Exports, 2018; OEC, n.d.). The benefits and challenges of exportation can be differentiated by country level and firm level. I will discuss these two levels below.

➤ Country Level

At the country level, exportation affects currency values, policies of the government, and market competition (Chen & Yu, 2010; Czinkota, 1996). Moreover, most of the time, exporting is a win-win situation that benefits both countries' economic scale. It also motivates policymakers to develop suitable programs for exporters. For instance, in the United States, firms that export are eligible for government support (Bernard & Jensen, 2004). From the firm level, exporting helps increase Canada's economic scale. One major contribution of export businesses job opportunity creation, both at home and in the host country (Reavley, Lituchy, & McClelland, 2005). In addition, exporting helps SMEs increase market share and reduce market risk (Leonidou, 2004). Exportation also allows firms to enter diverse markets, which can increase their growth rates. By facilitating

entry into different markets, exporting provides firms with opportunities to grow and survive in diverse cultural and environmental settings. Moreover, exportation can enhance domestic competitiveness (Baldwin & Gu, 2003; Brache & Felzensztein, 2017; Gashi, Hashi, & Pugh, 2014; Sung, 2000) and help companies reduce inherent costs and overcome local competition (Fahy, 2002; Hessels & Terjesen, 2010). Exportation is the bridge towards other internationalization strategies, such as joint venture and licensing (Czinkota, 1996; Fan & Phan, 2007) .

On the other hand, SMEs also face challenges while exporting. From the macro point of view, there are two major challenges: governmental restrictions and the lack of foreign market information. Canada is one of the largest import/export countries, however, firms must strictly follow trade regulation guidelines. For instance, animal and plant products must follow the control list and declare shipments to Canadian customs (Groke & Kreidle, 1967; Innovation, 2015; Sathaye, Atkinson, & Meyers, 1989). Foreign market information is a key success factor when exporting. Obtaining information on the destination market can be a competitive advantage for exporters (Menkhoff & Schmeling, 2008; Pineda, Florencio, & Roldán, 2018). Moreover, since exporting involves international accounts and currencies, business owners need to know how to manage the financial aspects of exportation (Bernard & Jensen, 2004; Czinkota, 1996).

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➤ **Firm Level**

- **SMEs In General, Canadian SMEs In Particular**

International business development tends to focus on large, established companies and believes that SMEs do not follow the ordinary procedure of internationalization (Etemad, Wright, & Dana, 2001). In fact, SMEs have made significant contributions towards economic growth due to differences in firm behaviour (Fischer & Reuber, 2003; Reavley et al., 2005). Export is one of many international expansion activities. Export is understood as seeking new customers “out of town” or “on the other coast” (Czinkota, 1996). SMEs that have certain features and qualifications may choose to export. For instance, SMEs owners with multilingual skills tend to engage in export trade (Bel Habib, 2011; Lücke & Stöhr, 2018).

- **Female-Owned SMEs**

As noted by Collins and Low (2010), the number of female immigrant entrepreneurs has increased in the world. It is reported that nearly 47 percent of SMEs are owned by women (Carrington, 2006). Prior study suggested that an individual’s characteristics can affect the decision-making of a firm. Because of the growing competition among SMEs, gender has become an important topic within global SMEs studies (Ashourizadeh, Schøtt, Şengüler, & Wang, 2016). In the past, Canada has been an active supporter of female entrepreneurs. The number of female entrepreneurs has nearly doubled and has contributed \$18 billion towards the Canadian economy in the past two decades (Guergis, 2006). The government has designed different programs to support female-owned SME businesses specifically (Government of Canada). Studies by Liao

(2015), Powell and Ansic (1997), and Sonfield, Lussier, Corman, and McKinney (2001) claimed that significant gender differences exist, affect owners' strategic behaviour, and have negative impacts in their business practice. Moreover, the result from Rayman's (1999) report indicates that more than 50 percent of the female owners believe that there are gender-related challenges that make exporting particularly difficult for them. Many female owners are not enthusiastic about conducting business in the global markets. Even if they are, they usually take longer than male entrepreneurs to effectively enter international markets (Adler, 2004). Due to this gender gap, they might need more help with local regulation, destination's regulation, and other administrative matters. However, it should be noted that once female entrepreneurs decide to export, they tend to maintain a secure relationship with overseas customers (Grondin & Schaefer, 1995). Thus, the international business activities of female-owned SMEs can last for years.

- **Immigrant-Owned SMEs**

In recent years, more comprehensive immigrant-related business policy has developed from the government in Canada. An increasing amount of research has reported a positive relationship between immigrants and export commerce (Dalziel, 2008a; Herander & Saavedra, 2005). More importantly, immigrants can boost an economy by providing bridges to new markets (Saran, 2014; White, 2009). Prior research has indicated that SMEs owned by immigrants have a higher tendency to export (Liao, 2015; Neville et al., 2014; Orser et al., 2010; Sui et al., 2015). The main reason is that immigrants have foreign knowledge and networks superior to native residents. Also, immigrants tend to have more international experience. Hence, they tend to have a competitive

advantage when it comes to international business opportunities (Head & Ries, 1998; Sui et al., 2015).

Hjerm (2004) found that both immigrants and non-immigrants are inclined to own a business. Dalziel (2008) has empirically shown that immigrant owners are more successful than non-immigrant owners due to their superior knowledge of culture, environment, social relations, and languages. Moreover, immigrant-owned SMEs are twice as likely to export compared to their non-immigrant counterparts within Canada (Government of Canada, 2016; Orser et al., 2010). Immigrant owners tend to have more international opportunities and have the ability to target and filter them compared to non-immigrant owners (Chiswick & Miller, 2002). Most importantly, immigrant owners differ from non-immigrants due to social networks providing privileged access to global markets, which can greatly affect business behaviour (Morgan et al., 2018). Although immigrants have such advantages over non-immigrants, these advantages do not guarantee success in global markets. Immigrants may underestimate the difficulty of doing international business with their countries of origin (Fairlie, 2012). They may neglect the rapid changes or the latest trends of their home countries in recent years, assuming everything has remained the same. That is to say, immigrant owners can make mistakes caused by the neglect of recent market research or new customer habits.

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2.2 Export Strategy of SMEs

Studies of export behaviour and SMEs have increased greatly in the past few decades. SMEs rapidly become active in the global market because internationalization can improve business performance (Coviello & McAuley, 1999; Perks, 2009). Trading Economics (2018) has reported that export activities accounted for more than 30% of Canada's GDP. There are different subjects within exportation research, such as the influence of firms' characteristics on export performance (Orser et al., 2010; Sui et al., 2015), export barriers and challenges (Bauerschmidt, Sullivan, & Gillespie, 1985; Wu, Sinkovics, Cavusgil, & Roath, 2007), and SMEs' internationalization processes (Reuber & Fischer, 1997; Reuber, Dimitratos, & Kuivalainen, 2017). Prior research has suggested that export behaviour affects export performance (Dhanaraj & Beamish, 2003). Moreover, research by Gashi, Hashi, & Pugh (2014) has indicated that export behaviour may be affected by different factors from the firm-level to the owner's level. For instance, export strategy can depend on the nature of the product or on the owner's immigrant background (Perks, 2009). Moreover, prior export literature has often examined the performance of export strategy and the importance of the decisions that lead to export success (Perks, 2009). Understanding the workings that can influence export strategy may help improve export performance. Hence, in this section, I will explore the following topics to understand the export behaviour in Canada: 2.2.1 Export Propensity and 2.2.2 Export Intensity.

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2.2.1 Export Propensity.

SMEs that have certain attributes may have a greater likelihood or propensity to export (Reuber & Fischer, 1997; Ruzzier et al., 2007). A large body of research on owner-level attributes and firm-level attributes has been widely referenced in the SMEs field, which increases SMEs' likelihood of exporting. Firm-level attributes include firm age, firm size, industry type, and location. Owner-level attributes include education level, social networking, international experience and work experience (Ganotakis & Love, 2012; Javalgi, White, & Lee, 2000; Orser et al., 2010). These attributes will be discussed in detail in the following sections.

Firm-Level Attributes

➤ Firm Age

Dixit and Panigrahi (2014) have suggested that firm age can be a potential influence on firms' export propensity. Firm age plays an essential role in international operations and explains some differences in behaviours (Javalgi et al., 2000; D. Williams, 2011). Earlier studies suggested that older firms are more likely to export because they are more likely to obtain superior resources, such as foreign market experience (Neville, Orser, Riding, & Jung, 2014; D. Williams, 2011). However, other studies have shown that the relationship between firm age and export propensity is statistically insignificant (Orser et al., 2010; Park, Shin, & Kim, 2010).

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➤ **Firm Size**

Like firm age, firm size can influence firms' export propensity. Specifically, there is evidence that firm size has a strong positive impact on international expansion and export performance (Calof, 1994; Majocchi, Bacchiocchi, & Mayrhofer, 2005; Orser et al., 2010). Larger firms are more likely to use more resource-intensive export strategies. Thus, as firms grow, they are able to accumulate useful knowledge and firm resources to support their export activity (Bonaccorsi, 1992; Sui & Baum, 2014).

➤ **Industry Type**

McDougall, Covin, Robinson, and Herron (1994) found that industry type affects firms' sales growth. The structures of industries vary, and different industries may provide different opportunities for exporting (Javalgi et al., 2000; Zhao & Zou, 2002). According to Bonaccorsi (1992) and Javalgi et al. (2000), the likelihood of a firm being an exporter or non-exporter differs by industry type. This means that a firm's export propensity is, to a degree, tied to its industry. Within Canada, firms in the manufacturing industry and knowledge-based industry are most likely to export (Baldwin & Gu, 2003; Orser et al., 2010). For instance, firms with a research and development (R&D) department have a relatively high export propensity on average. Hence, firms that intensively use technology tend to participate significantly in foreign markets (Baldwin & Gu, 2003; Beamish & Calof, 1989; Cavusgil, 1984).

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➤ **Location**

Prior research has indicated that a firm's geographic location can impact its export propensity (Dunning, 2001; Liao, 2015). Specifically, Dunning (2001) and Wiedersheim-Paul, Olson & Welch (1978) reported that location can affect a firm's export propensity through information flow, transactional cost of physical goods, foreign market accessibility, and international production. Moreover, prior research has highlighted location as directly affecting SMEs' export performance (Freeman, Lawley, & Styles, 2012).

Owner-level attributes

➤ **Education Level**

SME owners' education level can affect their export propensity. Prior research has suggested that education has a positive impact on export behaviour because higher attainment of education can provide a diverse view due to the knowledge and experience it embodies (Beamish & Calof, 1989). Investment education allows owners to develop and filter foreign opportunity (Lejpras, 2019). Furthermore, owners are able to enhance international business skills and gain human capital when they are more educated (Ganotakis & Love, 2012).

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➤ **Social Networking**

Market accessibility is the key to export, and such accessibility requires strong business relations and knowledge abroad (Brouthers & Nakos, 2005; Verburg, Ellis, & Letourneau, 2011). A business network involves relationships with individuals, buyers, suppliers, and branches of government, among other players. Therefore, networks play a key role in export activities (Freeman et al., 2012; Verburg et al., 2011; D. E. Welch, Welch, Young, & Wilkinson, 1998). Networking is a critical strategy when SMEs decide to export (Carson et al., 2004). During the export process, limited access to foreign networks means greater uncertainty in foreign markets, fewer opportunities, and, ultimately, lower export performance (Aldrich & Zimmer, 1986; Dimitratos & Plakoyiannaki, 2003; Park et al., 2010). According to Sui, Morgan, and Baum (2015) and Welch et al. (1998), the lack of access to foreign networks is a major impediment to global expansion because these networks are needed for export-enabling resources (e.g., practical foreign market knowledge or local endorsements). A strong network can be used as a bridge to share knowledge and seek business opportunities (Crick & Spence, 2005a). Hence, the accessibility to foreign networks is likely to have a positive impact on SMEs' export propensities.

➤ **International Experience and Working Experience**

Existing research has suggested that owners who have international experience and knowledge tend to operate in foreign markets (E. Fischer & Reuber, 2003; Orser et al., 2010; J. E. M. Williams & Chaston, 2004). Conversely, the lack of international knowledge will have a negative impact on a firm's internationalization process (Eriksson, Johanson, Majkgard, & Sharma, 1997). Owners'

international experience that fosters export propensity includes foreign travel, foreign language skills, previous educational or working experience abroad, and being born abroad (McDougall et al., 1994; Reuber & Fischer, 1997). International experience can significantly impact firms' ability to effectively act when facing risk and opportunity (Sinkovics et al., 2018). In addition, owners' working experiences may also affect their export propensity. Working experiences translate into valuable human capital and business contacts within an industry (Reid, 1983). Hence, SME owners' international experience will often lead to a higher export propensity.

2.2.2 Export Intensity

Export intensity is defined as the ratio of sales from exported goods or services to total sales (Statistics Canada, 2015). SMEs can increase their revenue when they increase their export intensity (Orser et al., 2010). Therefore, they can also become more profitable (Fan & Phan, 2007). Previous studies have suggested that the size of a firm significantly impacts the firm's export intensity (Bonaccorsi, 1992; Liao, 2015). For example, larger firms have larger networks in the export market. Hence, these firms have a positive impact on the firms' export intensity. SME owners tend to increase export intensity as the domestic market becomes increasingly saturated. A high-intensity export strategy is regarded as a tool of risk balance when the domestic market is not positive (Rayman, 1999). Thus, the export intensity is likely to increase extensively industry-wide. In addition, there is evidence that owners with international or top management experience adopt export-intensive strategies more than other owners (Estrin, Meyer, Wright, & Foliano, 2008). Thus, greater export intensity can enable SMEs to thrive despite the disadvantages relative to large firms.

2.3 Direct and Indirect Approaches to Exporting

Many researchers characterize export activity as a binary decision: firms either export or serve their domestic market (Baldwin & Gu, 2003; Wiedersheim-Paul et al., 1978). However, export strategy can be broken down into two distinct approaches: (1) direct exporting (i.e., sale of goods or services directly to customers overseas) and (2) indirect export (i.e., sale of goods or services to customers overseas through an intermediary) (Hessels & Terjesen, 2010). The two approaches will be discussed in this section.

2.3.1 Direct export.

As stated above, direct exporting involves the sale of goods or services directly to customers overseas. It is a common path for exporters who are familiar with the export market. However, the lack of resources and knowledge may increase risk while exporting. Firms engaged in direct export have a positive competitive advantage in export knowledge (Cavusgil & Zou, 1994; N. A. Morgan, Kaleka, & Katsikeas, 2004). Johanson & Vahlne (1977) categorized types of knowledge into objective and experiential. Objective knowledge refers to foreign-market knowledge that can be taught and learned; on the other hand, experiential knowledge is gained from personal experience. Moreover, rich experiential knowledge not only allows owners/managers to identify export opportunities but also conduct appropriate export strategy to achieve goals. Above all, direct export activity requires extensive knowledge and networks for both domestic and overseas markets (Bloodgood, Sapienza, & Almeida, 1996; Eriksson et al., 1997). Business owners who engage in direct export need to be able to identify, evaluate, develop, and exploit opportunities in foreign

markets (Chen & Tan, 2009; Morgan, Sui, & Baum, 2018). They need access to social networks in foreign markets to carry out these entrepreneurial tasks well (Johanson & Vahlne, 1977; Pinho, 2016). Owners who decide to engage in direct export must retain strong business connections in both their home and export markets (Hernandez, 2014; Johanson & Vahlne, 1977).

2.3.2 Indirect Export

As stated above, indirect export involves the sale of goods or services to customers overseas through an intermediary. An export intermediary plays an important third-party role by linking potential buyers and sellers in different markets (Peng & York, 2001). Moreover, the study by Bernard, Grazi, & Tomasi (2011) has reported that smaller firms are more inclined to use intermediaries due to the entry cost and weak relationships abroad. Sometimes, SMEs choose to export indirectly because intermediaries have stronger relationships with the export destination. Furthermore, SMEs use intermediaries not only to target and identify potential markets but also to reduce export risk and uncertainty. Hence, SMEs prefer to export through intermediaries because of the ease of accessibility to export markets (Hessels & Terjesen, 2010). Prior research has found exportation can indirectly benefit a firm in the short term; however, indirect export can reduce a firm's innovation capabilities over the long term (Cintio, Ghosh, & Grassi, 2019). Compared to direct export, indirect export is costlier, due in part to the additional cost of intermediaries at home and host country (Hessels & Terjesen, 2010). In light of the above discussion, owners who tend to use intermediaries likely do not have a strong connection in the export market.

2.4 Gender and Export Strategy

Prior research has claimed that gender plays a negative role in female-owned SMEs and export behaviour (Liao, 2015). According to the Government of Canada (2016), SMEs owned by women are less inclined to enter the export market compared to those owned by men. Prior studies often use liberal feminism and social feminism to explain gender differences in business behaviour (Black, 1989; Orser et al., 2010; Watson, 2010). The two approaches will be discussed in the next subsections.

2.4.1 Liberal Feminism And Social Feminism

Prior female entrepreneurship research has relied on two distinct perspectives to explain the role of gender (or, more precisely, biological sex): liberal feminism and social feminism. According to a liberal feminist perspective, females and males are equally competent and, hence, any observed gender differences in business strategy and performance are likely to reflect systemic barriers that women face in the business environment (Fischer, Reuber, & Dyke, 1993). Such barriers might make it difficult for female business owners to gain access to influential, male-dominated networks (Ahl, 2006; Fischer et al., 1993; Hofstede, 1980). On the other hand, the social feminist perspective recognizes that female and male may have different preferences or dispositions and are therefore predisposed to different but equally effective business strategies (Orser et al., 2010; Watson & Robinson, 2003).

2.4.2 Liberal Feminist View Of Gender's Influence On SMEs' Export Strategies

Liberal feminist theory is about equality, and it is focused mainly on self-development (Black, 1989). Liberal feminist theory suggests that men and women have the same ability, but women are subject to discrimination. In other words, women and men are not given identical opportunities (Ahl, 2006; Johnsen & McMahon, 2005). Hence, SMEs that are controlled by female owners can perform poorer compared to their male counterparts because women face discrimination. For instance, women can face discrimination from lenders, network leaders, or suppliers. Also, systemic barriers can make women less prepared than men when it comes to operating a business. For instance, women often have a limited chance to gain experience working in a firm's industry due to the gender difference (DeTienne & Chandler, 2007; E. M. Fischer et al., 1993; Orser et al., 2010; Watson, 2010). In addition, Anna, Chandler, Jansen, & Mero (2000) have suggested that there are differences in SME performances because women focus on particular industries, such as service or retail. Besides industry, there are numerous types of potential differences in business between female and male owners. Therefore, it is reasonable to argue that female SME owners are disinclined to export, directly or indirectly, due to the barrier of limited opportunity.

2.4.3 Social feminist view of gender's influence on SMEs' export strategy

Social feminist theory is based, in part, on biology and reproduction (Gordon, 1976). Women and men are inherently different by nature but equal in ability (Carter & Williams, 2003). They have the same ability but use different method. Men and women have attributes unique to their sex, which may cause distinct approaches to business decisions (DeTienne & Chandler, 2007).

SMEs controlled by women are as effective as those controlled by men, even when they adopt different strategic approaches. Moreover, social feminist theory has also suggested that owners' gender is not separate from their business decisions. So, gender is important during the process of SMEs' internationalization. As such, social feminist theory provides a different idea about how gender relates to business owners' influence on SMEs' export decisions. SME performance is evaluated by different experiences and values (Orser et al., 2010). In addition, as stated by Orser, Riding, and Townsend (2004), nearly 40% of female owners in Canada agreed that gender plays a critical role during the management practice.

2.5 Immigrant Ownership and SMEs' Export Strategy

Foreign knowledge and connections are fundamental for fostering a firm's global development (Kogut & Zander, 1992). Previous studies have suggested immigrant-owned SMEs are more internationally oriented, as the experiences of entrepreneurs directly influence their business decisions (Chiswick & Miller, 2002; Sui et al., 2015). Furthermore, The Conference Board of Canada (2014) compared Canadian-owned SMEs to immigrant-owned SMEs and found immigrant-owned SMEs to have the fastest growth of export businesses. This significantly contributes to Canada's export agenda. Therefore, it is noticeable that owners' foreign experiences and social networks are the triggers for global expansion. Prior research found that immigrant owners are differentiated by their overarching resources and, more importantly, their valuable human and social capital sources that can ameliorate challenges in the international market (Barney,

1991; Morgan et al., 2018). Moreover, Granovetter (1985) has observed that immigrant owners who had pre-existing relationships abroad were more likely to exchange network and transfer knowledge. Immigrant owners are also capable of building local networks and can reduce operational costs or increase revenue within their host market (Hernandez, 2014). Thus, immigrant-owned SMEs possess competitive advantages that encourage them to export (Domurath & Patzelt, 2016). Immigrant-owned SMEs are generally more assertive while making export decisions because they hold first-hand knowledge about the foreign market compared to their non-immigrant competitors who are unfamiliar with the export country. This additional information allows immigrant entrepreneurs to evaluate and assimilate the foreign market effectively as well as reduce competition (Morgan et al., 2018).

2.6 Gender, Immigrants, and Exporting Activity

As mentioned earlier, individual characteristics are critical influences on business behaviour. Research has supported the idea that individual characteristics may affect an SME owner's export behaviour (Ashourizadeh et al., 2016; Dhanaraj & Beamish, 2003; Gashi et al., 2014). Many scholars have argued over whether gender and immigrant background affect owners' export behaviour. For instance, male versus female, immigrant versus non-immigrant, or export as one strategy (Ashourizadeh et al., 2016; Brush & Hisrich, 1991; Orser et al., 2010; Powell & Ansic, 1997; Reavley et al., 2005; Sonfield et al., 2001). Nevertheless, most of the prior research focused on comparing these factors individually. Few studies have focused on all the relevant factors. This

means the results of studies on combined effect of gender, immigrant status, and export strategy might be underestimated.

2.6.1 Female Immigrant Entrepreneurs Versus Other Entrepreneurs

An increasing amount of research has found that various factors may affect entrepreneurs' business strategies, and the growth of a business is determined by the entrepreneur's motivation. Prior research has claimed that female-owned firms tend pursue business less risky (Powell & Ansic, 1997). Compared to male-owned firms, research has indicated that female-owned firms tend to have a smaller business scale (Watson & Robinson, 2003). Moreover, Abor & Biekpe (2006) claimed that SMEs owned by females cannot penetrate business networks like males, thus affecting accessibility to useful market information. Hence, the impact of this phenomenon is placing SMEs owned by women at a disadvantage. On the other hand, we observe that female immigrants are more entrepreneurial compared to those native born. Female immigrant entrepreneurs make significant contributions towards a country's economy (Halkias, 2011). In the export context, immigrant owners have advantages from market knowledge, trusted relationships, and complementary resources (Orser et al., 2010; Sui et al., 2015). Hence, female immigrant entrepreneurs may have different business strategies regarding exportation.

2.6.2 Female-Immigrant Ownership and SMEs' Export Strategy

Some entrepreneurs would prefer to export directly; others prefer to export indirectly or not expand the business globally (Bernard et al., 2011). Firms that engaged in direct export have a

positive competitive advantage in export knowledge (Cavusgil & Zou, 1994). Ideologically, female entrepreneurs expect business outcomes equal to their male counterparts, other factors being unchanged. However, compared to male entrepreneurs, female entrepreneurs are more concerned about the potential business risk of export, so they prefer to adopt business strategies that are relatively conservative (Cliff, 1998). Prior research suggested that SMEs owned by immigrants enjoy superior resources and networks, which allows them to operate businesses successfully in foreign markets (Herander & Saavedra, 2005; Sui et al., 2015). Although female business owners generally lack access to foreign networks that support direct exportation, female immigrant owners might be in a better position to leverage such networks (“Social and business networks are still rare for female corporate leaders in Canada,” 1979). In line with my previous discussion, I expect female business owners with an immigrant background may have pre-existing knowledge and social connections in foreign markets, and, hence, they can overcome the traditional barriers that other female business owners face in such markets (Collins & Low, 2010; Runyan, Huddleston & Swinney, 2006).

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3.0 Theoretical Framework

3.1 Social Capital Theory

Social capital theory can be broadly defined as an individual's social structure that creates value and benefit in any aspect within that social structure (Davidsson & Honig, 2003; Seibert, Kraimer, & Liden, 2001). Social capital involves individuals' human capital, such as skills and capabilities. A social network comprises relationships among a set of people or social actors (Seibert et al., 2001). Strong networks are developed over time through trust and partnership. Social capital can be formed at both the individual and organizational levels (Coleman, 1990; Nahapiet & Ghoshal, 1998). Baker (1990) and Coleman (1990) have stated that social networks influence economic performance and market exchange between firms.

3.1.1 SME Internationalization And Owners' Social Capital

SMEs have been recognized as a core part of the Canadian economy (Love & Roper, 2015). In comparison to large-scale enterprises (i.e., companies with more than 500 employees), SMEs generally have less developed business systems due to a lack of vital resources, such as industry knowledge and market power (Hessels & Terjesen, 2010; Oviatt & McDougall, 1994; Watson, 2010). At the same time, global markets present SMEs with opportunities to grow and prosper (Knight, 2000). However, such markets are competitive; therefore, SME owners need to be strategic when trying to conduct business in global markets. Previous studies have found that SME

owners may do so by appropriately selecting their foreign market entry modes (Hessels & Terjesen, 2010; Oviatt & McDougall, 1994).

Key resources are the networks from previous international experiences, which can play a critical role in exportation endeavours (Jenssen, 2001). According to the network theory, owners' networks can increase the speed of a firm's internationalization process (Dimitratos & Plakoyiannaki, 2003). Owner's network and social capital can benefit firms in many aspects. A valuable network can utilize and facilitate the foreign knowledge to connect foreign markets. Network development, especially at an international level, can positively improve a firm's growth (Donckels & Lambrecht, 1995). In addition, owners' social capital and networks can sufficiently compensate for a firm's weaknesses, such as finance (Crick & Spence, 2005). Therefore, a strong network in the foreign market is able to assist the firm in developing strategic alliances. Export is a vital foreign entry mode and an initial step towards internationalization for many SMEs (Acs, Morck, Shaver, & Yeung, 1997; Reynolds, 1997). Past research has described the network in different ways. However, little research has examined networks as related to export strategy. Moreover, prior research has often examined export strategy in terms of decisions on export intensity levels (i.e., value of exports as a percentage of total sales) (Sousa, 2004; Sui et al., 2015). However, as stated above, export strategy can be broken down into two distinct approaches: (1) direct exporting (i.e., sale of goods or services directly to customers overseas), or (2) indirect export (i.e., sale of goods or services to customers overseas through an intermediary) (Hessels & Terjesen, 2010). Importantly, an export intermediary plays a third-party role by linking potential

buyers and sellers (Peng & York, 2001). One reason for this is that direct exporting requires extensive knowledge and networking in both the home and overseas markets (Bloodgood et al., 1996; Eriksson et al., 1997). In addition, business owners who engage in direct export need to identify, evaluate, develop, and exploit opportunities in foreign markets (W. Chen & Tan, 2009; Morgan et al., 2018). They need access to social networks in foreign markets to carry out these entrepreneurial tasks well (Johanson & Vahlne, 1977; Pinho, 2016). Indeed, owners who decide to engage in direct exporting must retain strong business connections in both their home and export markets (Hernandez, 2014; Johanson & Vahlne, 1977). Correspondingly, it is expected that an SME owner's social network will have a positive influence on their export strategy. All these insights are consistent with a social capital perspective that recognizes the relative significance of business owners' international business relationships in general, particularly when they are engaged in direct export.

To extend the argument, I have examined whether gender and immigrant status, separately and jointly, influence Canadian SMEs' propensity to export directly, indirectly, or not export at all. To do so, I have applied a social capital perspective as my theoretical framework.

3.2 Hypotheses Development

3.2.1 The Effect Of Female Ownership On SMEs' Export Strategies

Drawing on the insights of a liberal feminist perspective, I emphasize the idea that female business owners face barriers that might limit their access to networks that facilitate learning and

capability development in foreign markets. One reason for this is that such networks are likely to be dominated by men, and, hence, they are more likely to attract and benefit men (McPherson, Smith-Lovin, & Cook, 2001). Another reason is that female entrepreneurs might have had fewer opportunities to cultivate such networks over the course of their work life. For example, prior research has indicated that female managers are less likely than comparable male managers to receive promotions to senior management roles (Cromie & Birley, 1992; Jenssen, 2001; Nelson, 1987). This could mean that female entrepreneurs come to their venture with less international business experience and/or weaker international business relationships.

All in all, when it comes to expanding into foreign markets, female owners are likely to lack the kind of foreign networks that support direct export. For this reason, I expected them to engage in exporting using intermediaries indirectly. Therefore, I proposed the following hypothesis:

H 1: Female majority-owned SMEs are less likely to export directly compared to the male majority-owned counterparts.

3.2.2 The Effect Of Immigrant Ownership On SMEs' Export Strategy

Previous studies suggest that immigrant-owned SMEs are more internationally oriented than their native-born peers because they have export-enabling characteristics (Chiswick & Miller, 2002; Sui et al., 2015). In particular, they have strong ties to networks that enable them to learn and develop capabilities and have an enhanced ability to directly identify and pursue opportunities in foreign markets (Morgan et al., 2018; Sui et al., 2015). A strong social network creates the foundation and adequate resources for expanding an international business and eliminates the use

of an intermediary (Arregle, Hitt, Sirmon, & Very, 2007). Nevertheless, not all immigrant entrepreneurs directly expand their businesses to their originating countries. Their choices of foreign markets follow consumer demands, and in some cases, an intermediary is involved in the development of a business relationship (Bernard et al., 2011). In conclusion, immigrant entrepreneurs hold the ability to identify the potential and successfully exploit opportunities even in an unfamiliar country (Sui et al., 2015). Given this competitive initiative, I, therefore, propose the following hypothesis:

H 2: Immigrant owned SMEs are more likely to export directly compared to SMEs-owned by non-immigrants counterparts.

3.2.3 The Joint Effect Of Female And Immigrant Ownership On SMEs' Export Strategy

So far, I have theorized about the separate effects of gender and immigrant status on SMEs' propensity to export directly or indirectly. It would be helpful to know whether, why, and how SMEs approach direct exporting when they have female owners with an immigrant background. Although female business owners generally lack access to foreign networks that support them to pursue direct export strategy, I propose that those with an immigrant background are in a better position to leverage such networks. In line with my previous discussion, I expect female business owners with an immigrant background to have pre-existing social ties in foreign markets, and, hence, can overcome the traditional barriers that other female business owners face in such markets (Collins & Low, 2010; Runyan et al., 2006). Therefore, I propose the following hypothesis:

H 3: The negative effects of female-majority-owned SMEs' propensities to export directly is weaker when female owners have an immigrant background.

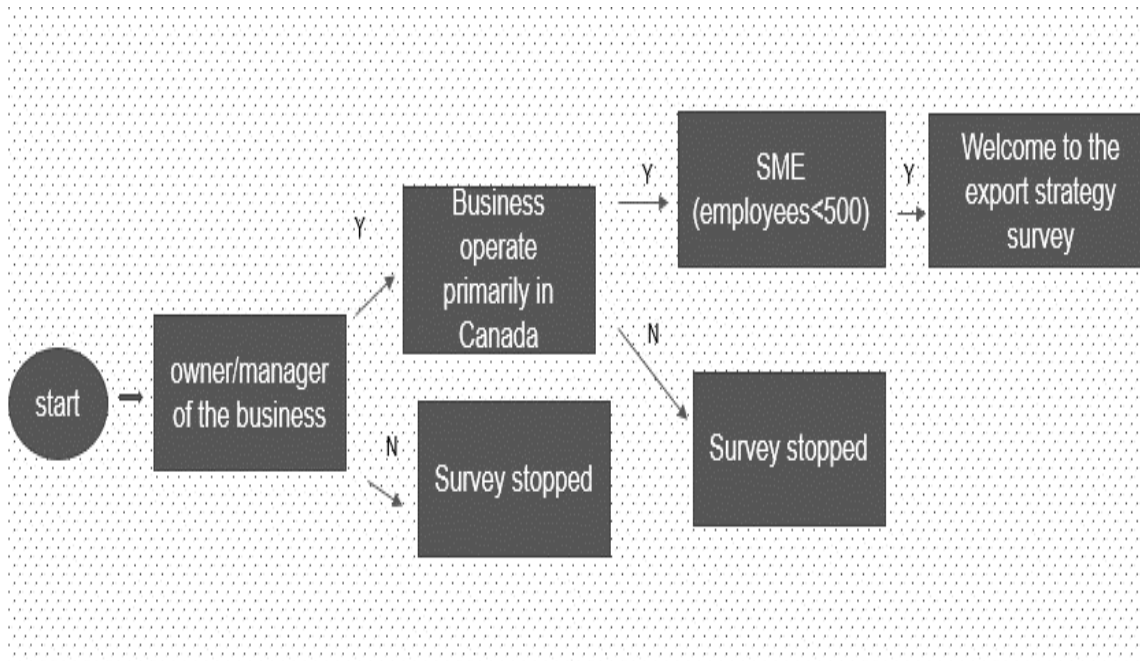
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4.0 Methodology

4.1 Data Construction

To empirically test these hypotheses, I designed a survey questionnaire which was administered through an online survey design platform. I focused on Canadian SMEs. These companies have fewer than 500 employees (Love & Roper, 2015). Since this study is specifically focused on SMEs' export strategies, SMEs' owners/managers were my targeted participants. In order to capture accurate data, I used filtered questions to target participants. Figure 8 illustrates the flow of the filtered questions before the survey started. If a participant was unqualified, the online survey automatically closed the interface of the webpage. To maintain confidentiality, I maintained the anonymity of the participants.

Figure 8 Illustration of Questionnaire Filter.



I administered the survey through multiple channels, such as networking events, social media, and survey recruitment pools. Specifically, 40% of the respondents were through entrepreneurship events, Immigrant Women in Business organization, and Toronto local networking groups. The remaining respondents were reached through Prolific, a crowdsourcing platform where a target audience was chosen. This survey received a total sample of 187 responses, though only 78 had valid responses, representing an approximate response rate of 41.7%. Due to the incompleteness of the answer sheet, the rest of the survey I collected was invalid. The survey was administered between February 2018 and May 2018. All the variables reported in the data analysis are based on data for fiscal year of 2017. Table 1 provides names of description of the variables used in this study. Figure 9 illustrates the questionnaire related to the variables.

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Table 1 Variable Names and Definitions.

Names	Description
Export Strategy	A categorical variable, which equals one if a company exports directly to a global market without intermediary; equals two if its export indirectly to a global market through intermediary; and equals three if it does not export)
Direct Export	A dummy variable, which equals one if a company exports directly to a global market without intermediary, and 0 otherwise.
Indirect Export	A dummy variable, which equals one if export indirectly to a global market through intermediary, and 0 otherwise.
Domestic	A dummy variable, which equals one if does not export at all, and 0 otherwise.
Female	A dummy variable which equals one if more than 50% of the company is owned by female, and 0 otherwise.
Immigrant	A dummy variable, which equals one if the owner/manager of the business was born outside Canada.
Firm Size	The number of fulltime employees a firm has.
Firm Age	The number of years a firm established.
Master's Degree	A dummy variable, which equals one if the owner/manager of the business has at least a master's degree, and 0 otherwise.
Business Experiences	The number of years of relevant business experience the owner/manager has.
Service	A dummy variable, which equals one if the firm belongs to the service industry, and 0 otherwise.
Ontario	A dummy variable, which equals one if the firm is located in Ontario, and 0 otherwise.
British Columbia	A dummy variable, which equals one if the firm is located in British Columbia, and 0 otherwise.

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Figure 9 Illustration of Key Variables and Questionnaire.

Variable	Questionnaire
Direct Export	Does your business/business you work for export products/services? - Please indicate the export strategy for your major product(s)/services(s) in the major export country of your business/business you work for.
Indirect Export	Does your business/business you work for export products/services? Please indicate the export strategy for your major product(s)/services(s) in the major export country of your business/business you work for.
Domestic	Does your business/business you work for export products/services?
Female	Please indicate the percentage of this business owned or managed by female.
Immigrant	Was the primary decision maker born in Canada or outside Canada?
Firm Size	How many full-time employees are currently employed by your company?
Firm Age	In what year was your company/company you work for established?
Master's Degree	What is the highest level of education attained by the majority of owner(s) or general manager(s) within your company?
Business Experiences	How many years of experience do you have in business management?
Service	Which of the following best describes the industry in which your business/business you work for operates in?
Ontario	In which province/territory are the headquarters for your business/business you work for currently located? Please specify the city, state and country if it is outside of Canada.
British Columbia	- In which province/territory are the headquarters for your business/business you work for currently located? Please specify the city, state and country if it is outside of Canada.

The descriptive statistics are presented in Table 2. Export Strategy is the dependent categorical variable that includes Direct Export, Indirect Export and Domestic; thus, the mean ranges from 1 to 3. From the total sample of 78, 30.8% are female-owned SMEs and 51.3% are immigrant-owned.

Table 2 Descriptive Statistics.

Variable	Mean	Std. Dev.	Min	Max
Export Strategy	2.19	0.88	1	3
Female	0.31	0.47	0	1
Immigrant	0.51	0.50	0	1
Firm Age	11.31	16.78	1	80
Firm Size	46.18	104.39	0	450
Master's degree	0.40	0.49	0	1
Business Experiences	4.87	6.44	0	25
Service	0.78	0.42	0	1
Ontario	0.41	0.50	0	1
British Columbia	0.26	0.44	0	1

N=78

Drawing on insight from social capital theory, owners may not meet the resource requirements of a direct exporting strategy if they lack relevant export market knowledge, and particularly strong ties to local networks within export markets. So they might tend to engage in indirect export (Carson, Gilmore, & Rocks, 2004; Dunning, 2001; Aldrich & Zimmer, 1986). Hence, I have include the following question in my survey to better discover the reasons behind to *SME owners' decision of export strategy corresponding with gender and immigrant ownership: What is the primary reason or consideration behind the indirect/ direct export strategy your business/business you work for adopted?* I analyzed my result by categorized companies into the following four groups combining the female and immigrant ownership information: (1) female-immigrant (2)

male-immigrant (3) female-Canadian and (4) male-Canadian. Table 3 illustrates the primary reasons behind Direct Export and Indirect Export and their detailed descriptions.

Table 3 Reasons Behind Direct Export And Indirect Export.

Reasons	Descriptions
Network	Company has strong local connections; potential business opportunity, potential business information collection (Carson et al., 2004; D. E. Welch et al., 1998).
Communication	Company is familiar and comfortable speaking the local language (Chiswick & Miller, 2002; Sui et al., 2015).
Culture	Company's export product/service complements the local culture; company understands the local norms, human behaviours and local society (Dimitratos & Plakoyiannaki, 2003; Olabode, Adeola, & Assadinia, 2018)
Competition	Increasing competition in the market (Fahy, 2002; Marjit & Ray, 2017).
Demand	Export can increase total business sales and revenue (Groke & KREIDLE, 1967; Orser et al., 2004).
Cost	The total cost is relatively lower (Eriksson et al., 1997).
Regulation Barrier	Export destination's policy such as tariffs, licensing (Castro, Li, Maskus, & Xie, 2016; Hessels & Terjesen, 2010; Leonidou, 2004)
Other	Other reason

Table 4 describes the number of observations and percentage of each group with their corresponding reason behind Direct Export. As shown in Table 4, the percentages of all respondents that Network, Communication, Culture, Competition, Cost, Regulation Barrier and Other are 52%, 4%, 12%, 4%, 4%, 16%, 4%, 4% respectively. The average percentage for respondents who chose Network as the reason behind direct export is 52%, the highest of all options. It is notable that 69.2%, the highest of any group, of male immigrants who own SMEs chose Network as the primary reason behind direct export.

Table 4 Number Of Observations On Reasons Behind The Choice Of Direct Export, By Gender And Immigrant Ownership.

Observations	Female- Immigrant	Male- Immigrant	Female- Canadian	Male- Canadian	Total
Network	1 (25%)	9 (69.2%)	0 (0.0%)	3 (37.5%)	13 (52%)
Communication	1 (25%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 4.0%
Culture	1 (25%)	1 (7.7%)	0 (0.0%)	1 (12.5%)	3 12.0%
Competition	1 (25%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 4.0%
Demand	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (12.5%)	1 4.0%
Cost	0 (0.0%)	2 (15.4%)	0 (0.0%)	2 (25.0%)	4 16.0%
Regulation Barrier	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (12.5%)	1 4.0%
Other	0 (0.0%)	1 (7.7%)	0 (0.0%)	0 (0.0%)	1 4.0%
Total	4 (16%)	13 (52.0%)	0 (0.0%)	8 (32.0%)	25 100%

Note: Percentage of choice in parentheses

Table 5 describes the number of observations and the percentage of each group with their corresponding reason behind indirect export. As Table 5 shows, the percentages of all respondents who chose Network, Communication, Culture, Competition, Cost, and Regulation Barrier are 42.1%, 10.5%, 10.5%, 5.3%, 5.3%, 21.1%, 5.3%, respectively. The average percentage of respondents who chose Network as the reason behind indirect export is 42.1%, the highest of any reason. All female immigrants who own SMEs chose Network as the primary reason behind indirect export, the highest among the groups. Hence, combining the results from Table 4 and Table

5, I conclude that owners' social networks and connections could be essential for meeting the resource requirements of an export strategy.

Table 5 Number Of Observations On Reasons Behind The Choice Of Indirect Export, By Gender And Immigrant Ownership.

Observations	Female- Immigrant	Male- Immigrant	Female- Canadian	Male- Canadian	Total
Network	3 (100%)	1 (25.0%)	2 (50.0%)	2 (25%)	8 (42.1%)
Communication	0 (0.0%)	1 (25.0%)	0 (0.0%)	1 (12.5%)	2 (10.5%)
Culture	0 (0.0%)	0 (0.0%)	0 (0.0%)	2 (25%)	2 (10.5%)
Competition	0 (0.0%)	1 (25.0%)	0 (0.0%)	0 (0.0%)	1 (5.3%)
Demand	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (12.5%)	1 (5.3%)
Cost	0 (0.0%)	1 (25.0%)	2 (50.0%)	1 (12.5%)	4 (21.1%)
Regulation Barrier	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (12.5%)	1 (5.3%)
Other	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	3 (15.8%)	4 (21.1%)	4 (21.1%)	8 (42.1%)	19 100%

Note: Percentage of choice in parentheses

Table 6 illustrates the pairwise correlation between all the variables. The multicollinearity did not warrant special attention in our statistical analysis because the sizes of the correlations between each variable are less than 0.5.

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Table 6 Correlations.

Variables	1	2	3	4	5	6	7	8	9	10
1 Export Strategy	1									
2 Female	0.139	1								
3 Immigrant	-0.137	0.094	1							
4 Firm Age	-0.08	-0.114	-0.11	1						
5 Firm Size	-0.271	-0.178	-0.158	-0.464*	1					
6 Master's Degree	-0.148	0.083	-0.1	0.081	0.011	1				
7 Business Experiences	-0.199	0.139	-0.044	0.206	0.103	0.151	1			
8 Service	0.116	0.016	0.045	0.041	-0.206	-0.016	-0.161	1		
9 Ontario	0.055	0.235	-0.178	-0.166	-0.166	0.015	0.106	0.125	1	
10 British Columbia	-0.028	-0.264	0.102	0.002	0.245	0.003	-0.053	-0.188	-0.490*	1

N=78

* indicate statistical significance at the 10% level.

4.2 Dependent Variables

The dependent variable, *Export Strategy*, is a categorical variable with three outcomes: *Direct Export*, if the firm exports to the international market without an intermediary; *Indirect Export*, if the firm exports to the international market through an intermediary; and *Domestically*, if the firm does not export (Bernard et al., 2011; Peng & York, 2001). Specifically, I asked respondents for their choice of export strategy for their major product or service.

4.3 Explanatory Variables

My first major independent variable, *Female*, is a dummy variable that is equal to one if a company is female-majority-owned (more than 50% of the firm is owned by females) (Orser et al., 2010). My second major independent variable, *Immigrant*, is a dummy variable, which equals one

if the owner or manager of the firm was born outside of Canada (H. Morgan et al., 2018). Both variables have been widely used in the study of entrepreneurship, in order to evaluate the export behaviour of businesses. Combining the female and immigrant ownership information, companies can be categorized into the following four groups: (1) female-immigrant (2) male-immigrant (3) female-Canadian and (4) male-Canadian.

Table 7 describes the number of observations and percentage of each group with their corresponding export strategies. As shown in Table 4, the percentages of all respondents who exported directly, indirectly, and do not export are 30.8%, 19.2%, and 50% respectively. The average percentage of male-immigrant-owned SMEs that export directly is 46.2%, the highest of all groups. The average percentage of female-Canadian-owned SMEs that export indirectly is 40%, the highest of all groups. SMEs owned by female-Canadians are also most likely to operate business only in the domestic market, with an average of 60%, the highest of all groups. Meanwhile, it is notable that none of the female-Canadian-owned SMEs in my sample exported directly.

Table 7 Number Of Observations On Export Strategy Vs. Gender And Immigrant Ownership.

Observations	Female- Immigrant	Male- Immigrant	Female- Canadian	Male- Canadian	Total
Direct Export	4 (28.5%)	12 (46.2%)	0 (0.0%)	8 (28.6%)	24 (30.8%)
Indirect Export	3 (21.4%)	2 (7.7%)	4 (40.0%)	6 (21.4%)	15 (19.2%)
Domestic	7 (50.0%)	12 (46.2%)	6 (60.0%)	14 (50.0%)	39 (50.0%)
Total	14	26	10	28	78
%	100%	100%	100%	100%%	100%

Note: Percentage of export strategy in parentheses

4.4 Control Variables

To better understand the factors that contribute to SME owners' decisions on export strategy and the moderating effect of gender and immigrant status, it is important to control for other variables that may also affect export decisions (Reid, 1981; Reid, 1983). This study identifies seven control variables that may affect business owners' export strategy. *Firm Size* was measured by the number of full-time employees employed by the firm. I controlled for this variable because previous research has suggested that larger firms are more likely to use more resource-intensive export strategies (Sui & Baum, 2014). *Firm Age* was measured by the number of years the business has been in operation. Previous studies have suggested that older firms are more likely to export, since they are more likely to have superior resources, such as foreign market knowledge and connections (Neville et al., 2014; D. Williams, 2011). To control for the business owner/manager's education, I used a dummy variable, *Master's Degree*, which equals one if the owner/manager of the business has a master's or higher degree and zero otherwise. One study noted that owners' education highly influences firms' growth and financial performance (Brush & Hisrich, 1991; Kramolis, V. Kotaskova, Virglerova, Zuzana, & A. Kotaskova, 2017). Earlier studies have suggested that owners who have relevant experience in the same professional field have a greater likelihood of expanding their businesses; thus, *Business Experience* is measured by the number of years of relevant business experience the owner/manager has (Brush & Hisrich, 1991; Johanson & Vahlne, 1977). For macroeconomic environmental factors, I controlled for the firms' industry (*Service*) and location (*Location*), which are essential factors for a firm's global expansion

(Dunning, 2001; Mudambi & Zahra, 2007; Rao, Tang, & Wang, 2010; Wiedersheim-Paul et al., 1978). *Service* is a dummy variable which equals one if a firm belongs to a service sector and zero if it belongs to a product sector. The service sectors include: Retail Trade, Professional Services, Insurance and Finance, Information Technology (IT), Food Accommodations, Education Services, and Others. The product sectors include Real Estate, Rental and Leasing, Health Care and Social Assistance, Manufacturing and Construction, Agriculture, Forestry, and Fishing and Hunting. From the group I categorized for my industry types, prior research suggested that the nature of the service industry is focused mostly on the domestic market (Beyers & Alvine, 1985; Cavusgil & Czinkota, 1990; Holden, 2009; Joseph & Harilal, 2001; Winsted & Patterson, 1998). Hence, I grouped these sectors into one group due to the limited total number of observations included in the regression analysis. Table 8 illustrates the distribution of the total observation of industries among different groups of owners. Location refers to the following provinces: Quebec, Prince Edward Island, Ontario, Nova Scotia, New Brunswick, Manitoba, British Columbia, and Alberta; however, I specially analyzed two major provinces due to the limited sample size in some cases. I controlled for the province of location as dummy variables *Ontario* and *British Columbia*. *Ontario* is a dummy variable which equals one if a firm is located at Ontario. *British Columbia* is a dummy variable which is equal to one if a firm is based in British Columbia. Brache & Felzensztein (2017) noted that measuring the impact of firms' locations is important when exporting. Table 9 details the number of observations in each province.

Table 8 Distribution Of Industry, By Gender And Immigrant Ownership.

Industry	Female-immigrant	Male-immigrant	Female-Canadian	Male-Canadian
Agriculture, Forestry, Fishing and Hunting	1	0	0	1
Constructions	0	1	1	1
Education Services	2	2	1	1
Food Accommodations	3	1	0	1
Health Care and Social Assistance	1	0	1	1
Information Technology (IT)	0	5	1	3
Insurance and Finance	1	1	0	1
Manufacturing	1	3	0	4
Professional Services	2	4	3	7
Real Estate, Rental and Leasing	0	1	0	0
Retail Trade	2	8	1	6
Other	1	0	2	2

Table 9 Distribution Of Location, By Gender And Immigrant Ownership.

Location	Female-immigrant	Male-immigrant	Female-Canadian	Male-Canadian
Alberta	3	5	0	4
British Columbia	2	10	0	8
Manitoba	1	0	0	1
New Brunswick	1	0	1	0
Nova Scotia	0	0	1	0
Ontario	6	7	8	11
Prince Edward Island	0	0	0	1
Quebec	1	4	0	3

4.5 Statistical Methods

My dependent variable is the owners' choice of export strategy, which includes direct export, indirect export, and domestic. Given the nature of my dependent variable, the multinomial logistic model was used to estimate the effects of the explanatory variables on export strategy (Kogut & Zander, 1992). The computer software I used for my empirical analysis was STATA 15. Compared with traditional logistic regression, a multinomial logit regression can better describe the

relationship between complex categorical variables, such as the export strategy measure that I have applied (Geraghty & O'Mahony, 2016; Hamid, Wah, Xie, & Huat, 2018; McFadden, 1974). Specifically, export strategy refers to the log odds of SME owners' decisions to export directly, indirectly, or not export at all.

In Table 10, I have compared the mean and standard deviation of all the variables grouped by gender and immigrant ownership. The mean values from *Firm Age* indicate that SMEs owned by male Canadians are the oldest firms on average. On the other hand, SMEs owned by female immigrants are the youngest firms. The mean values of *Firm Size* indicate that SMEs owned by male Canadians are the largest firms. On the other hand, SMEs owned by female immigrants are the smallest firms. Furthermore, the mean values of *Master's Degree* and *Business Experience* indicate that female Canadian business owners are the most educated and most experienced among all groups.

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Table 10 Compare Mean And Standard Deviation Of Key Variables, By Gender And Immigrant Ownership.

	Female- Immigrant	Male- Immigrant	Female- Canadian	Male- Canadian
	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Firm Age	5.79 (7.46)	11.54 (14.00)	12.21 (20.75)	13.54 (21.00)
Firm Size	14.64 (19.88)	38.54 (94.00)	23.8 (32.03)	77.04 (144.00)
Master's Degree	0.36 (0.50)	0.35 (0.50)	0.60 (0.52)	0.39 (0.50)
Business Experiences	3.43 (3.63)	5.23 (7.70)	10.1 (7.50)	3.39 (5.00)
Service	0.79 (0.43)	0.81 (0.40)	0.80 (0.42)	0.75 (0.40)
Ontario	0.43 (0.51)	0.27 (0.50)	0.80 (0.42)	0.39 (0.50)
British Columbia	0.14 (0.36)	0.38 (0.50)	0.00 (0.00)	0.29 (0.46)

N=78

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5.0 Data Analysis and Empirical Findings

The regression analysis was based on three different empirical specifications. In the first regression model (Table 11), I included only Female, Immigrant, and additional control variables. In the second regression model (Table 12), I added a variable that captures the interaction of Female and Immigrant. It is important to estimate the combined effects of gender and immigrant status on SMEs' export strategy. In the third regression model (Table 13), I excluded Female and Immigrant, but included the following dummy variables: *Female-Immigrant-* and *Male-Immigrant-owned*. I conducted a multinomial logit regression analysis of export strategy. Doing so enabled me to estimate the marginal effects of key variables, such as gender and immigrant status, on each strategy. Tables 11 to 13 indicate the marginal effects of the explanatory variables and control variables. Columns 1 to 3 report the marginal effects on the likelihood of *Direct Export*, *Indirect Export*, and *Domestic*, respectively.

Turning to regression Model 1 in Table 11, I consider the first hypothesis—that female-owned SMEs are less likely to export directly. In column 1, the effect of *Female* on *Direct Export* is negative and statistically significant ($\beta = -0.238$, $p < 0.001$). Hence, the probability of female-owned SMEs to export directly is 23.8% lower compared with male-owned SMEs. This result supports Hypothesis 1.

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**Table 11 Marginal Effects Of Gender And Immigrant Background On Export Strategy:
Result From Multinomial Logit Regression.**

Variables	Marginal Effect		
	Direct Export	Indirect Export	Domestic
Female	-0.238*** (0.109)	0.120 (0.088)	0.118 (0.110)
Immigrant	0.249** (0.093)	-0.089 (0.081)	-0.159 (0.099)
Firm Age	0.000 (0.004)	-0.009 (0.005)	0.009 (0.005)
Firm Size	0.001 (0.001)	0.001** (0.001)	-0.003** (0.001)
Master's Degree	0.032 (0.094)	0.150** (0.073)	-0.182** (0.093)
Business Experiences	0.006 (0.008)	0.012** (0.006)	-0.018** (0.009)
Service	-0.067 (0.122)	-0.047 (0.090)	0.114 (0.132)
Ontario	-0.029 (0.112)	0.071 (0.109)	-0.042 (0.122)
British Columbia	-0.189 (0.124)	0.138 (0.107)	0.051 (0.051)
Log pseudo-likelihood	-60.400		
Wald Chi-squared	39.30		

N=78, Standard errors in parentheses

***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

The second hypothesis is that SMEs owned by immigrants are more likely to export directly compared to SMEs owned by non-immigrants. From column 1 in Table 11, the effect of *Immigrant* on *Direct export* is positive and statistically significant ($\beta = 0.249$, $p < .05$). Hence, the probability for SMEs to choose *Direct Export* is 24.9% higher for immigrant-owned as compared to non-immigrant-owned. Thus, Hypothesis 2 is supported.

There are also some significant findings from my control variables in Table 11. The effects of *Firm Size*, *Master's Degree*, and *Business Experience* on *Indirect Export* are all positive and statistically significant. These results indicate that firms that are large, and have more educated employees, and have more experienced owners are more likely to export indirectly. In column 3 of Table 11, the effects of *Firm Size*, *Master's Degree*, and *Business Experience* on *Domestic* are all negative and statistically significant. These results indicate that firms that are smaller and have owners who are less educated and less experienced are more likely to operate only in the domestic market. These results are consistent with the results reported in Table 12 and Table 13.

To further help determine whether SMEs' choices of export strategy depends on their gender and immigrant background, I interact *Female* and *Immigrant* as one variable. In Table 12, Hypothesis 3 predicts that the negative effect of female ownership on SMEs' propensity to export directly is weaker when female owners have an immigrant background. Therefore, I expect the effect of the interaction of *Female* and *Immigrant* on *Direct Export* to be positive and significant, and on *Indirect Export* and *Domestic* to be negative and significant. Based on the results in column 1 of Table 12, the effect of the interaction of *Female* and *Immigrant* on *Direct Export* is positive;

however, the interaction effect of *Indirect Export* and *Domestic* is negative and not statistically significant. Thus, Hypothesis 3 is not supported. It is also notable that the size of the standard errors is relatively large for the interaction of *Female* and *Immigrant* in Table 12. This is because none of my *Canadian-Female* participants chose *Direct Export* (as indicated in Table 7). Therefore, I conclude that immigrant background does not moderate the effects of female ownership on SMEs' export strategy.

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Table 12 Marginal Effect Of The Interaction Of Gender And Immigrant Background On Export Strategies: Result From Multinomial Logit Regression.

Variables	Marginal Effect		
	Direct Export	Indirect Export	Domestic
Female	-2.760 (265.271)	0.750 (74.734)	2.010 (190.537)
Immigrant	0.195* (0.107)	-0.129 (0.113)	-0.066 (0.122)
Female x Immigrant	2.599 (265.271)	-0.580 (74.734)	-2.019 (190.537)
Firm Age	0.000 (0.004)	-0.008* (0.004)	0.008 (0.005)
Firm Size	0.001 (0.001)	0.001** (0.001)	-0.003** (0.001)
Master's Degree	0.041 (0.093)	0.146** (0.073)	-0.188** (0.092)
Business Experiences	0.008 (0.009)	0.013** (0.006)	-0.021** (0.009)
Service	-0.048 (0.123)	-0.048 (0.091)	0.096 (0.133)
Ontario	-0.019 (0.112)	0.078 (0.110)	-0.059 (0.125)
British Columbia	-0.177 (0.122)	0.141 (0.109)	0.036 (0.135)
Log pseudo-likelihood	-50.810		
Wald Chi-squared	42.48		

N=78, Standard errors in parentheses

***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

To further explore the interaction effects of immigrant status and gender, I extended my regression analysis to compare, in particular, the effects of *Female-immigrant* and *Male-immigrant* owned SMEs, relative to *Canadian-owned* SMEs, on export strategy. In Table 13, the effect of *Male-immigrant* on *Direct Export* is positive and statistically significant ($\beta = 0.292$, $p < 0.001$). Thus, the probability of choosing *Direct Export* is 29.2% higher for male-immigrant-owned SMEs relative to Canadian-owned SMEs. However, *Female-immigrant* has no significant effect on direct exporting. Therefore, Hypothesis 3 is not supported.

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Table 13 Marginal Effects Of Male-Immigrant And Female-Immigrant Background On Export Strategy: Result From Multinomial Logit Regression.

Variables	Marginal Effect		
	Direct Export	Indirect Export	Domestic
Male-Immigrant	0.292*** (0.104)	-0.157 (0.109)	-0.135 (0.116)
Female-Immigrant	0.121 (0.138)	0.017 (0.099)	-0.138 (0.137)
Firm Age	0.000 (0.004)	-0.008* (0.005)	0.009* (0.005)
Firm Size	0.002 (0.001)	0.001** (0.000)	-0.003*** (0.001)
Master's Degree	0.024 (0.096)	0.157** (0.072)	-0.181* (0.095)
Business Experiences	0.004 (0.008)	0.013** (0.006)	-0.018** (0.009)
Service	-0.058 (0.124)	-0.048 (0.091)	0.106 (0.132)
Ontario	-0.055 (0.113)	0.100 (0.107)	-0.045 (0.121)
British Columbia	-0.184 (0.132)	0.151 (0.112)	0.033 (0.138)
Log pseudo-likelihood	-61.596		
Wald Chi-squared	36.91		

N=78, Standard errors in parentheses

***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

6.0 Discussion And Extension

The objective of my research is to examine whether gender and immigrant status play a role in influencing the choice of Canadian SMEs to export directly, indirectly, or to not export at all. To do so, I used social capital theory as my theoretical framework. I have contributed to the understanding of SME owners' choices regarding export strategy, with particular reference to the roles of gender and immigrant background. I found that female ownership has a significant negative effect, whereas immigrant ownership has a significant positive effect on the likelihood of SMEs to export directly compared to other export strategies. Particularly, female owners are less inclined to choose direct export. Under the lens of social capital theory, my results suggested the importance of network relationships, since owners with immigrant backgrounds might overcome the networking barriers in the global market due to their rich social capital (Pinho, 2016). Based on the social capital theory, I expected that female owners with an immigrant background would, in general, prefer to export directly compared to their non-immigrant counterparts. Nevertheless, my evidence suggested that immigrant status did not moderate a positive effect on female owners regarding the choice between direct and indirect exporting. Furthermore, my results also revealed that even being the most educated and the most experienced within the industry, none of the female-Canadian owners in my sample choose to export directly. One potential explanation is that female ownerships, especially those without foreign connections, face more systemic barriers when it comes to direct export. It is also worth noting that female immigrant owners do not seem

to benefit from their background. There is no material distinction in their decisions to favour direct exporting. Female immigrant ownership seems to undermine their ability to leverage their advantage of having an immigrant background to establish and control the linkages in the foreign market.

6.1 Contributions to the Theory and Related Research

In this research, I have tried to answer the question: “How do gender and immigrant background affect a company owner's decision to engage in direct or indirect export?” More specifically, “Do female owners’ export strategies differ from their male counterparts in ways that are not adequately captured by export propensity?” “Why might female owners with an immigrant background gravitate towards exporting more than female owners who are non-immigrants?” By addressing the gap and answering the research question, the findings of this study make several major and minor contributions to female and international entrepreneurship research.

Firstly, my paper generally contributes to the growing body of research on the role of gender in international business (Liao, 2015; Orser et al., 2010; Runyan et al., 2006; C. L. Welch et al., 2008). Specifically, it builds on, and adds to the previous research by Orser et al. (2010). Orser et al. (2010) showed that gender is not an important determinant of SME owners’ export propensity. However, their study is not based on a fine-grained measure of exporting strategy that explicitly accounts for direct and indirect approaches to exporting. This study builds on and qualifies Orser et al. (2010) by showing that gender matters when export strategy is defined in this fine-grained

way. Specifically, it does so by dividing export strategy into two channels: direct export, selling goods or services directly to foreign customers, and indirect export, using an intermediary to sell goods or services to foreign customers. Like the research by Orser et al. (2010), it also examines the joint effect of business owners' gender and immigrant background on SMEs' direct and indirect export strategies. My results contribute to the findings of Orser et al. by specifically showing that business owners' gender influences their decision to engage in direct export; as previously reported, they are less likely to do so than their male peers. In particular, I clarify that female business owners face potential network-related barriers that make it difficult for them to mobilize the external resources required for direct exportation. While Orser et al. (2010) found that immigrant background has a positive moderating influence, I found no evidence in support of such. This latter result suggests that although female-immigrant owners have first-hand knowledge and pre-existing social ties in global markets, they do not derive significant advantages from such factors when exporting.

Secondly, my paper contributes to the growing body of literature on the roles of immigrants in international business (Dalziel, 2008; Herander & Saavedra, 2005; Hernandez, 2014; Morgan et al., 2018; White, 2009). One of the important insights from this literature is that SMEs with immigrant owners are more export-oriented than SMEs with non-immigrant owners (Neville et al., 2014; Sui et al., 2015). However, since this work does not consider the gender of business owners, it was unclear whether female and male immigrant owners engaged in exporting equally well. I specially add to this work by suggesting that primarily male immigrant owners account for direct

exporting. While their female immigrant peers primarily account for indirect exporting in the SMEs they lead.

Thirdly, my paper contributes to the growing body of literature on the link between business owners' characteristics and SMEs export behaviour (Barringer, Jones, & Neubaum, 2005; Bloodgood et al., 1996; Oviatt & McDougall, 1994; Reuber & Fischer, 1997; Vandor & Franke, 2016). While immigrant business owners seem to have these export-enabling attributes (Morgan et al., 2018; Neville et al., 2014; Sui et al., 2015), my study suggests that female immigrant owners might lack them, particularly when it comes to direct exporting. In particular, they seem to lack international business experience and strong social ties in foreign markets. Therefore, it is important for international entrepreneurship researchers to pay more attention to business owners' immigrant backgrounds combined with their gender.

Last but not least, my findings support a liberal feminist theory of international entrepreneurship (Cliff, 1998; Fasci & Valdez, 1998; Orser et al., 2010). Specifically, they suggest that women face network-related barriers in foreign markets that are difficult to overcome. The result of my paper indicates that even with the highest education background and the longest working experience, female owners still prefer to export indirectly or not export at all to foreign markets. This means that it is the social structure between females and males that is hard to overcome. Even when female owners have the same or more resources as male owners, they are still facing gender challenges in international trade. Therefore, gender-based barriers can explain and predict gender differences in export behaviours.

6.2 Practical Implications

Finally, the findings in this research provide guidance to SME owners and managers with global aspirations and the policymakers tasked to assist them. The idea of networking needs to be used as an export facilitation activity (Welch et al., 1998). Oly Ndubisi, Yunus Ali, and Shamsuddoha (2009) noted that the government's export program is essential to SMEs' export propensity. Given the discussion above, my findings emphasize the importance of access to international networks for a direct approach to exporting. Policymakers (Canadian Trade Commissioner) should recognize the importance of business networks. Therefore, they should develop initiatives to encourage female owners to identify, build, and cultivate international business relationships. Programs and training should also take advantage of the existing initiatives such as SheTrades and the Worldwide Network of Women Business Owners (FCEM) (Government of Canada, n.d.). It is critical that women entrepreneurs are fully aware of the importance of having strong international networks. Hence, policymakers should also promote these initiatives to female entrepreneurs through effective channels.

7.0 Limitations and Future Research

There are several limitations in this study that may provide opportunities for future research. First, my sample size of 78 observations is smaller than I had hoped. I do not have data on female-Canadian owners who export directly. Also, I have controlled for whether a firm belongs to a service or a product industry in my regression analysis. However, the observation of service industries is greater than that of the product industry. Ideally, I would be able to control more detailed industry classifications. However, I was not able to do so given the sample size of this study. So, I categorized my industry types into a dummy variable Service. Hence, based on such a sample and data limitations, researchers can build on my work by using larger representative samples and a wider coverage of industry control variables (Beyers & Alvine, 1985; Maccallum et al., 1999). Second, the location of this study is solely in Canada. Future research may build on my work by investigating the direct-indirect exporting strategy of SMEs in other host countries (Brache & Felzensztein, 2017). Third, although my study has raised the level of understanding about how business owners' gender and immigrant status affect SMEs' export strategies, it does not evaluate whether their adopted export strategy leads to superior financial performance (Freeman et al., 2012). Future research can address this gap by conducting research on the effects of direct versus indirect exporting on SMEs' financial performances.

8.0 Conclusion

In this study, I sought to evaluate the roles that business owners' gender and immigrant status play in SMEs' decision to export directly or indirectly. A notable insight is that business owners seem to carefully consider these alternative approaches to exporting, and their choices reflect their relative advantages or disadvantages. In particular, I showed that female business owners disproportionately turn to intermediaries when exporting, apparently because they lack access to networks that support direct exporting. Although female owners with an immigrant background have the potential to overcome network-related barriers, those barriers seem particularly difficult to overcome when it comes to direct exporting. A key takeaway message is that female business owners stand to significantly gain from initiatives that enhance their ability to establish and manage international business relationships.

Appendices

Appendix 1 Appendix 1 Distribution of Location, by gender and immigrant ownership in percentage

Location	Female immigrant	%	Male immigrant	%	Female Canadian	%	Male Canadian	%	Total	%
Alberta	3	21.43%	5	19.23%	0	0.00%	4	14.29%	12	15.38%
British Columbia	2	14.29%	10	38.46%	0	0.00%	8	28.57%	20	25.64%
Manitoba	1	7.14%	0	0.00%	0	0.00%	1	3.57%	2	2.56%
New Brunswick	1	7.14%	0	0.00%	1	10.00%	0	0.00%	2	2.56%
Nova Scotia	0	0.00%	0	0.00%	1	10.00%	0	0.00%	1	1.28%
Ontario	6	42.86%	7	26.92%	8	80.00%	11	39.29%	32	41.03%
Prince Edward Island	0	0.00%	0	0.00%	0	0.00%	1	3.57%	1	1.28%
Quebec	1	7.14%	4	15.38%	0	0.00%	3	10.71%	8	10.26%
Total	14	100.00%	26	100.00%	10	100.00%	28	100.00%	78	100.00%

Appendix 2 Distribution of Industry, by gender and immigrant ownership in percentage

Industry	Female- immigrant	%	Male- immigrant	%	Female- Canadian	%	Male- Canadian	%	Total	%
Agriculture, Forestry, Fishing and Hunting	1	7.14%	0	0.00%	0	0.00%	1	3.57%	2	2.56%
Constructions	0	0.00%	1	3.85%	1	10.00%	1	3.57%	3	3.85%
Education Services	2	14.29%	2	7.69%	1	10.00%	1	3.57%	6	7.69%
Food Accommodations	3	21.43%	1	3.85%	0	0.00%	1	3.57%	5	6.41%
Health Care and Social Assistance	1	7.14%	0	0.00%	1	10.00%	1	3.57%	3	3.85%
Information Technology (IT)	0	0.00%	5	19.23%	1	10.00%	3	10.71%	9	11.54%
Insurance and Finance	1	7.14%	1	3.85%	0	0.00%	1	3.57%	3	3.85%
Manufacturing	1	7.14%	3	11.54%	0	0.00%	4	14.29%	8	10.26%
Professional Services	2	14.29%	4	15.38%	3	30.00%	7	25.00%	16	20.51%
Real Estate, Rental and Leasing	0	0.00%	1	3.85%	0	0.00%	0	0.00%	1	1.28%
Retail Trade	2	14.29%	8	30.77%	1	10.00%	6	21.43%	17	21.79%
Other	1	7.14%	0	0.00%	2	20.00%	2	7.14%	5	6.41%
Total	14	100.00%	26	100.00%	10	100.00%	28	100.00%	78	100.00%

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